

## 15U - STRATEGIC PRIORITY - AFFORDABLE HOUSING

### Operational Summary

#### Description:

Fund 15U facilitates the expenditure of general funds and Single Family Housing funds that are dedicated to the creation and preservation of affordable housing in Orange County.

#### Strategic Goals:

- Increase and preserve affordable housing opportunities, especially for those most in need.

#### Key Outcome Indicators:

Performance Measure	2003 Business Plan Results	2004 Business Plan Target	How are we doing?
<b>REDUCE PERCENT OF AFFORDABLE HSG OPPORTUNITIES NEEDED AS ID BY THE REGIONAL HOUSING NEEDS ASSESSMENT</b> <b>What:</b> Affordable Housing Opportunities include creating new and preserving existing affordable housing units. <b>Why:</b> Increasing affordable housing opportunities will help bridge the gap in the OC housing market.	HCS saw seven grand openings of affordable housing projects and three ground-breakings.	HCS will continue with the NOFA process and will issue one NOFA for \$5 million.	Since 2000, ground has been broken for the development of over 1,500 affordable units. HCS expects to produce over \$270 million of affordable housing construction with a County investment of \$24.6 million.

#### FY 2003-2004 Key Project Accomplishments:

- In 2003, Housing and Community Services (HCS) held four Grand Openings of affordable housing developments: Vintage Shores, Talega Phase I, Westminster Senior Apartments, and Linbrook. These provided a total of 403 new affordable units. HCS issued one Notice of Funding Availability (NOFA) early in the year for \$5,000,000 to fund 360 new affordable housing units, and a second NOFA in October.

**STRATEGIC PRIORITY AFFORDABLE HOUSING** - This fund facilitates the expenditure of Single Family Housing funds that are dedicated to the creation and preservation of affordable housing in Orange County.

### Budget Summary

#### Plan for Support of the County's Strategic Priorities:

Affordable housing development continues to be one of the Board of Supervisors' Top 10 Strategic Priorities. HCS supports this priority by allocating over \$2.3 million in block grant funding through the ARC process for FY 04-05. Combined with over \$2.5 million appropriated in fund 117 and

the Redevelopment commitment to affordable housing development, over \$30 million is allocated to fund affordable housing projects. Of that amount, \$12 million has already been committed to projects. HCS will continue to solicit projects through a Request for Proposals (RFP) and Notice of Funding Availability (NOFA) for development of affordable rental housing. The goal of the RFP and the NOFA is to promote the development of permanent affordable rental housing for Orange County's very-low and low-income households by providing favorable financing.

### Changes Included in the Base Budget:

Fund 15U, Strategic Priority Affordable Housing, was created during FY 02-03 to account for the monies allocated by the Board of Supervisors to the creation of affordable housing. During FY 02-03, \$5 million was transferred into this fund from 15B, Single Family Housing. The budget for FY 04-05 reflects the \$5 million less administrative costs for FY 03-04 and 04-05. The administrative costs are budgeted under 15G offset from 15U. The majority of the funds in this budget are already committed to projects.

### Final Budget and History:

Sources and Uses	FY 2002-2003 Actual Exp/Rev	FY 2003-2004 Budget As of 6/30/04	FY 2003-2004 Actual Exp/Rev <sup>(1)</sup> At 6/30/04	FY 2004-2005 Final Budget	Change from FY 2003-2004 Actual	
					Amount	Percent
Total Revenues	5,000,000	4,882,357	4,882,357	3,254,194	(1,628,163)	-33.35
Total Requirements	117,643	4,882,357	71,169	3,254,194	3,183,025	4,472.46
FBA	4,882,357	0	4,811,188	0	(4,811,188)	-100.00

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Strategic Priority - Affordable Housing in the Appendix on page 589.

### Highlights of Key Trends:

- Over the past decade, the County has been experiencing a severe shortage of affordable housing. By the year 2005, the Regional Housing Assessment Needs (RHNA) for the unincorporated areas of Orange County calls for 22,407 additional housing units, 7,034 of which should be made affordable to very-low and low-income households. The development and preservation of affordable housing stock is challenged not only by funding short-

ages, but also by market conditions such as escalating rents, lack of appropriately zoned land, increased market demands, and community resistance. In the face of all these challenges, HCS will continue to pursue its goal of increasing and preserving affordable housing opportunities for lower income Orange County residents.

## 9A1 Major Activities

\* The purpose of these funds is to construct facility improvements, address funding and expenditure activity, and provide for administrative expenses of the Orange County Development Agency (OCDA).

## 9A1 Funds

Agency Number	Orange County Development Agency	FY 2004-2005 Appropriations		FY 2004-2005 Revenue	
15A	OCDA Santa Ana Heights 1993 Bond Issue	\$	14,673,363	\$	14,673,363
15B	CEO Single Family Housing		3,338,489		3,338,489
15E	OCDA/S.A. Heights 1993 Low & Mod Income Housing		155,971		155,971
171	OCDA Low & Moderate Income Housing (SA Heights)		12,026,915		14,384,605
173	OCDA Santa Ana Heights - Surplus		13,275,406		4,319,476
411	OCDA (NDAPP) Projects, 1992 Issue A		753,724		753,724
412	OCDA (NDAPP) Low/Moderate Housing 1992 Issue A		2,811,600		2,804,003
413	OCDA (NDAPP) Projects, 1992 Issue B		245,339		242,038
414	OCDA (NDAPP), 1992 Issue B, Low/Moderate Housing		2,386,851		2,381,714
425	OCDA Neighborhood Preserv. & Dev. - Construction		491,304		482,396
428	OCDA (NDAPP) - Surplus		847,299		847,299



## 15U - STRATEGIC PRIORITY AFFORDABLE HOUSING

### Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2002-2003		FY 2003-2004		FY 2003-2004		Change from FY 2003-2004	
	Actual Exp/Rev		Budget As of 6/30/04		Actual Exp/Rev <sup>(1)</sup> At 6/30/04		Actual	
							Amount	Percent
Other Financing Sources	\$	5,000,000	\$	0	\$	0	\$	0.00%
Total FBA		0		4,882,357		4,882,357		(1,628,163) -33.35
<b>Total Revenues</b>		5,000,000		4,882,357		4,882,357		3,254,194 (1,628,163) -33.35
Services & Supplies		117,643		4,784,898		71,169		3,254,194 3,183,025 4,472.46
Other Financing Uses		0		97,459		0		0 0 0.00
<b>Total Requirements</b>		117,643		4,882,357		71,169		3,254,194 3,183,025 4,472.46
<b>Balance</b>	\$	4,882,357	\$	0	\$	4,811,188	\$	0 (4,811,188) -100.00%

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.